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Research News for the U.S. Travel Industry

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# TRAVEL PRINTOUT

US Travel Data Center

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# States Budget Big Bucks for Tourism

The money all 50 states allocate to generating travel and tourism totals over $340 million for fiscal 1989-90. This represents a 6 percent jump from last year's actual sum, according to the US Travel Data Center's **1989-90 Survey of State Travel Offices**, the 17th annual report on the budgets, advertising, promotion and research programs of states' and territories' tourism agencies.

"The continued growth we see in the states' travel office budgets is a positive sign about travel's significance to the United States' economy, especially considering the fact that the travel industry is the third largest retailer in the nation and the second largest employer," commented Dr. Suzanne Cook, executive director of the Data Center.

Hawaii ranks number one for the first time this decade with a projected budget of $22.5 million. Up substantially, Hawaii's actual budget was $17 million last year.

Over the course of the decade, the growth in state travel office budgets was phenomenal. In 1980, the total of all state travel office budgets for the year was under $90 million. Now at over $340 million, this is almost a four-fold increase.

Furthermore, in 1980, New York spent the most money of all the states with $8.5 million; whereas, Hawaii's projected budget for 1989-90 increased to almost $23 million. In this way, the ever-increasing state travel office budgets reveal the importance of travel to the U.S. economy.

Another measure of states' efforts to garner part of the travel market is their advertising budgets. The sum of all 50 states' advertising budgets for fiscal year 1989-90 is $126 million. A comparison of past total advertising budgets reveals marked increases in these budgets over the course of the decade as states place more emphasis on promotion. For instance, the 1980 sum of all state's advertising budgets was only $29 million.

New York, Illinois, and Alaska intend to spend the most on advertising in fiscal year 1989-90. In fact, New York's projected budget is $12 million. The average advertising budget is $2.5 million, representing a significant increase over the 1980 actual average of $643,500 per state.

In addition to detailed budget breakdowns, the survey also provides information about state governments' and U.S. territories' programs including:

- General Administration
- Organization
- Advertising and Promotion
- Press and Public Relations
- Research
- Welcome Centers

*Top Ten List*

| | | |
|---|---|---|
| 1. | *Hawaii* | *$22.5 million* |
| 2. | *New York* | *22.1* |
| 3. | *Illinois* | *22.0* |
| 4. | *Texas* | *18.9* |
| 5. | *Pennsylvania* | *15.9* |
| 6. | *Michigan* | *14.1* |
| 7. | *Alaska* | *11.4* |
| 8. | *Tennessee* | *10.6* |
| 9. | *Virginia* | *10.3* |
| 10. | *Florida* | *9.5* |

For more information about the **1989-90 Survey of State Travel Offices**, contact Kelly Repass at (202) 293-1040.

The Data Center will send copies of this report to its members. The survey is available to others for $75. To obtain a copy, send a check or money order to: US Travel Data Center, Two Lafayette Centre, 1133 21st Street NW, Washington, DC 20036.♦♦

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## Motor Fuel Prices Spur Lower November Travel Prices

The overall cost of travel in the U.S. dropped 0.3 percent in November. Lower motor fuel prices and lodging rates generated the decline, reports the Data Center's latest Travel Price Index (TPI).

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S., fell to 126.0 (1982 - 84 = 100) during November.

For comparison, the price of goods and services purchased by Americans as measured by the Consumer Price Index (CPI) rose 0.2 percent to 125.9.

Travel Price Index and Components

| November 1989 | Monthly % Change October to November 1989 | Annual % Change November 1988 to November 1989 |
|---|---|---|
| TPI Component | | |
| Transportation | -0.7 | +0.5 |
| Airline Fares | 1.1 | 6.2 |
| Other Intercity Trans. | 0.2 | 2.4 |
| Intracity Public Trans. | 0.7 | 2.3 |
| Motor Fuel | -1.9 | +7.0 |
| Lodging | -1.0 | +3.0 |
| Food and Beverages | | |
| Away From Home | 0.3 | 4.7 |
| Entertainment | 0.0 | 9.6 |
| TRAVEL PRICE INDEX | -0.3 | 5.4 |
| CONSUMER PRICE INDEX | 0.2 | 4.7 |

Source: U.S. Travel Data Center and the U.S. Bureau of Labor Statistics

Leading the decrease in travel costs for the month, motor fuel prices dropped 1.9 percent followed by a 1 percent fall in lodging prices.

Airline fares showed the sharpest increase for the month with a 1.1 percent change. Food and beverages costs also rose but by a lesser amount of only 0.3 percent.

Over the past 12 month period, the TPI climbed 5.4 percent, influenced by a 9.6 percent jump in entertainment costs and a 7 percent increase in motor fuel prices. Intracity public transportation costs grew the least with only a 2.3 percent climb. The CPI rose 4.7 percent for the same period.

## October Business Travel Up

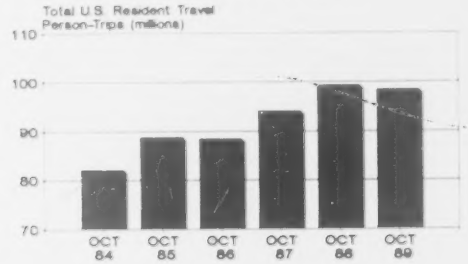
The number of business person-trips in October 1989 increased notably over last October with more than a 7 percent increase, according to the Data Center's latest National Travel Survey (NTS) results.

Total travel volume for the month dipped slightly by less than 1 percent from the same time last year. Americans took more than 98 million person-trips. (A person-trip measures each person traveling 100 miles or more away from home.)

Once again, vacation travel made a sizeable increase from the previous year with almost a 6 percent gain. Modest increases occurred in pleasure, auto, and hotel-related travel, while travel for other personal reasons declined.

Additionally, the October NTS reported drops in weekend and air travel. Weekend travel plunged almost 9 percent from last year. People took about 49 million weekend person-trips this year compared to 53 million in 1988. Air travel decreased by a much smaller amount of only 1 percent.

The average distance traveled in October 1988 was 940 miles, whereas, October 1989 recorded an average distance of 970 miles.




## TEIM Update

Computer programming will begin on the Data Center's Travel Economic Impact Model (TEIM) towards the end of the month. The TEIM is the only working model that provides estimates of the economic significance of travel spending in the U.S.

Established in 1973, the TEIM is undergoing a complete revision to make the model a more effective and flexible tool for assessing the economic influence of travel and tourism at the national, state and local economies.

At this time, the Data Center is continuing to

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collect data for the model from private sources. Also, work on the forecasting model is progressing. The model generates data used in the **Impact of Travel on State Economies** report, as well as several other special studies conducted under contract.

For more information about the TEIM and its capabilities, contact Dr. William Fleming, manager of economic research, at (202) 293-1040.♦♦

## Travel in the '80s at the Travel Review Conference

Dr. Suzanne Cook, executive director of the Data Center, plans to give a retrospective of the travel industry in the 1980's at the fourth annual Travel Review Conference on February 5, 1990, at the Hyatt Regency Hotel in Washington, D.C. The conference is sponsored by the Data Center, Travel and Tourism Research Association, and the U.S. Travel and Tourism Administration.

Travel in the 1980's got off to a slow start. In 1980, travel was substantially lower than in 1979, but by the end of the decade the travel industry made significant gains.

With this in mind, Cook will examine some historical events and major issues that influenced travel in the 1980's and demographic trends that affected the industry. Finally, Cook will present the outcomes of these factors in context of their affect on yesterday and today's travel market. Her presentation will pay particular attention to what happened in 1989.

Following the conference, the Data Center will make available for sale the slide presentation, script, and a special report. Note: Full members will be sent the report as part of their membership, and limited members will be eligible for a discount. For more information, contact Vernon Azucenas at (202) 293-1040.♦♦

## News from the Data Center

During its December 4 meeting, the Data Center's Board of Trustees elected new members and officers for 1990. Dr. John D. Hunt, distinguished professor of tourism at the University of Massachusetts, will serve a second term as chairman in 1990.

Edward R. Book, replaces William D. Toohey, past-president of the Travel Industry Association of America (TIA), as vice-chairman. Book is now the president of TIA.

Officers remaining the same for 1990:

- Secretary, Dr. Charles R. Goeldner, director of the business research division, University of Colorado;
- Treasurer, David J. Humphreys, president of the Recreational Vehicle Industry Association;
- Executive Committee Member, Jerry Foster, president of Saga International Holidays.

♦ In other news, Lori Litzenberg moved over to the Data Center from the Travel Industry Association after a promotion. Her new position is as the marketing and membership assistant.

Also, Shawn Flaherty joined the staff as the media relations assistant following Julie Bower's promotion to assistant manager of marketing and membership. Working jointly for TIA and USTDC, Bob McClure now is the manager for marketing and membership at USTDC.♦♦

**Visitor Volume at National Parks**

| Region | OCT 1989 visits | % Change from OCT 1988* | Year to Date % Change 1988/89* |
|---|---|---|---|
| NEW ENGLAND | 1,533,740 | -5.3% | 5.9% |
| MIDDLE ATLANTIC | 2,672,554 | 9.4 | 5.0 |
| SOUTH ATLANTIC | 7,201,035 | -19.5 | -15.8 |
| EAST SOUTH CENT. | 2,088,833 | 3.9 | -3.6 |
| EAST NORTH CENT. | 533,580 | 17.1 | -3.2 |
| WEST NORTH CENT. | 559,776 | 2.3 | 3.7 |
| WEST SOUTH CENT. | 803,157 | 6.0 | 1.6 |
| MOUNTAIN | 3,018,512 | -3.8 | 2.7 |
| PACIFIC | 4,017,607 | 5.0 | -1.7 |
| TOTAL | 22,428,794 | -5.5 | -4.4 |

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

States compromising the census regions:
**New England**: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **Middle Atlantic**: New Jersey, New York, Pennsylvania. South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia. **East South Central**: Alabama, Kentucky, Mississippi, Tennessee. **East North Central**: Illinois, Indiana, Michigan, Ohio, Wisconsin. **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **West South Central**: Arkansas, Louisiana, Oklahoma, Texas. **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **Pacific**: Alaska, California, Hawaii, Oregon, Washington.

# Current Travel Indicators - 1989

| | Month | Value | Units | Percent Change Last Month | Year Ago | Year To Date |
|---|---|---|---|---|---|---|
| **Establishment Receipts or Retail Sales** | | | | | | |
| Hotels, Motels, Other Lodging Places(1) | Oct | $ 5,313 | million | 7.2 | 6.9 | 8.7 |
| Eating and Drinking Places(2) | Oct | $13,792 | million | -0.5 | 2.2 | 5.7 |
| Gasoline Service Stations(2) | Oct | $ 9,032 | million | -0.2 | 5.2 | 7.0 |
| **Commercial Lodging Demand** | | | | | | |
| Hotel/Motel Occupancy Rates(3) | Oct | 64.4 | percent | -1.4 | 2.7 | 1.8 |
| Real Demand for Commercial Lodging(4) | Oct | 66.5 | million | 6.2 | 4.5 | 4.8 |
| **Airline Passenger Traffic (5)** | | | | | | |
| Domestic Revenue Passenger-Miles | Oct | 26.8 | billion | 8.9 | 1.0 | -0.7 |
| Int'l Revenue Passenger-Miles | Oct | 8.4 | billion | -8.9 | 5.1 | 8.8 |
| **Highway Traffic Volume (6)** | | | | | | |
| Rural Arterial Passenger-Miles | Oct | 44.7 | billion | 2.3 | 4.6 | 4.3 |
| **Rail Passenger Traffic (7)** | | | | | | |
| Amtrak Passenger-Miles | Oct | 465.1 | million | 3.8 | 5.6 | 4.2 |
| **Travel Price Index** (1982 - 84 = 100) (8) | Oct | 126.3 | | 0.2 | 4.9 | 5.2 |
| **U.S. Resident Travel** | | | | | | |
| Total Person-trips(9) | Oct | 98.3 | million | -11.7 | -0.9 | 2.7 |
| Vacation Person-trips(9) | Oct | 67.0 | million | -18.7 | 5.9 | 6.2 |
| Total Person-nights(10) | Oct | 429.0 | million | 5.5 | 17.0 | -4.5 |
| Vacation Person-nights(10) | Oct | 336.0 | million | 4.1 | 28.2 | -1.6 |
| **Public Use of National Parks (11)** | | | | | | |
| Visits | Oct | 22,428,794 | | -16.9 | -5.5 | -1.8 |
| Overnight Stays | Oct | 1,227,984 | | -40.4 | 2.8 | 2.9 |
| **Foreign Arrivals to the U.S.** | | | | | | |
| From Overseas(12) | Sep | 1,312,029 | | -15.4 | 13.3 | 11.2 |
| From Canada(13) | Oct | 1,220,488 | | -7.8 | 10.8 | 11.5 |
| From Mexico(12) | Sep | 91,748 | | -44.6 | 7.0 | 20.2 |
| **U.S. Citizen Departures** | | | | | | |
| To Overseas(12) | Jul | 1,608,600 | | 1.8 | -2.5 | 4.0 |
| | Aug | 1,427,300 | | -11.3 | -2.4 | 3.1 |
| | Sep | N/A | | | | |
| To Canada(13) | Oct | 813,639 | | -37.7 | -4.3 | -5.2 |
| **Domestic Demand for Gasoline** | | | | | | |
| Barrels/Day(14) | Oct | 7,214 | thousand | -0.2 | -0.8 | -0.3 |

(1) Source: Smith Travel Research, seasonally unadjusted. (2) Preliminary, revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1986 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary; U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary; revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: US Travel Data Center and Bureau of Labor Statistics. (9) Source: US Travel Data Center. (10) US Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary, unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 3% arrivals only. (13) Statistics Canada. (14) Preliminary. Source: U.S. Department of Energy.

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